

Weekly Update on Central Government borrowings

10 July 2020

The Central Government raised Rs 34,000 crs on July 10, 2020 which is higher than the notified amount of Rs 30,000 crs for the week and the amount of borrowing this week is equal to the previous week auction. In July so far, the borrowings have been Rs 8,000 crs higher than the notified amount. The aggregate amount raised by the central government so far during the current fiscal is Rs 4.1 lakh crs, 64% higher than corresponding period last year. This is around 35% of the revised central government market borrowing limit of Rs 12 lakh crs for the year and 69% of the amount to be raised in the H1-FY21 (Rs 6 lakh crs).

During the current week, there are 3 securities which have been auctioned and the details have been tabulated below in Table 1. Green shoe option of Rs 2,000 crs each was exercised in 6.19% GS 2034 and 7.16% GS 2050 securities. **The weighted average yield for the week ended July 10, 2020 is 5.82%, 23 bps higher than last week.**

Contact:

Madan Sabnavis

Chief Economist
madan.sabnavis@careratings.com
 91-22-68374433

Author:

Sushant Hede
 Associate Economist
sushant.hede@careratings.com
 91-22-68374348

Mradul Mishra (Media Contact)

mradul.mishra@careratings.com
 91-22-68374424

Disclaimer: This report is prepared by CARE Ratings Ltd. CARE Ratings has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Ratings is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE Ratings has no financial liability whatsoever to the user of this report.

Table 1: Results of the CG security auctions on July 10, 2020

Instrument Name	Notified Amount	Amount accepted	Cut-off yield (%)
5.22% GS 2025	12,000	12,000	4.929
6.19% GS 2034	11,000	13,000	6.192
7.16% GS 2050	7,000	9,000	6.462

Chart 1: Trends in weekly CG borrowing (Rs crs)

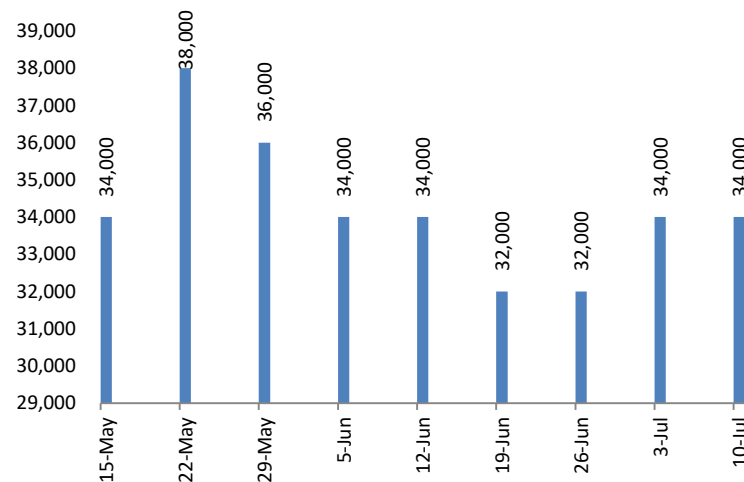
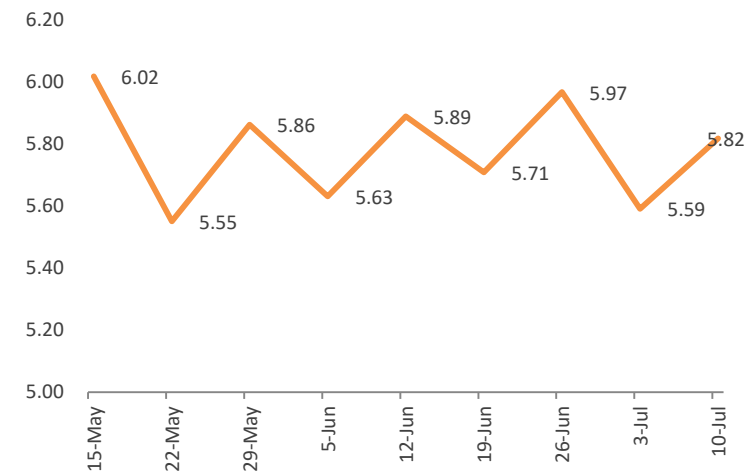



Chart 2: Trends in weekly weighted average yields (%)



Source : RBI

www.careratings.com

Follow us on  [/company/CARE Ratings](https://www.linkedin.com/company/CARE-Ratings)
 [/company/CARE Ratings](https://www.youtube.com/channel/UC...)

CORPORATE OFFICE:

CARE Ratings Ltd. (Formerly Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022. CIN: L67190MH1993PLC071691

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com